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RUEHCV/AMEMBASSY CARACAS 1387
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RUEHMN/AMEMBASSY MONTEVIDEO 3637
RUEHQD/AMEMBASSY QUITO 4029
RUEHSG/AMEMBASSY SANTIAGO 8548
RUEHLMC/MILLENNIUM CHALLENGE CORP
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUMIAAA/USCINCSO MIAMI FL
RUEHC/DEPT OF LABOR WASHINGTON DC
RHEHNSC/NSC WASHINGTON DC
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
RHEBAAA/DEPT OF ENERGY WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 000712

SIPDIS

SIPDIS

STATE FOR WHA A/S SHANNON AND PDAS SHAPIRO
STATE ALSO FOR WHA/AND FRENCH AND PETRONI
STATE PLS PASS TO USTR FOR BHARMON
NSC FOR DFISK
USCINCSO FOR POLAD

E.O. 12958: DECL: 03/15/2016

TAGS: ETRD EAGR EINV ECON PGOV PREL USTR BL
SUBJECT: Uribe tells Morales "no" on soy

REF: A. LA PAZ 692

1B. LA PAZ 644

Classified By: Deputy Chief of Mission David M. Robinson for reasons 1.
4(d) and (b).

11. (SBU) Summary: President Evo Morales' March 14 meeting with his Colombian counterpart, Alvaro Uribe, appears not to have gone Bolivia's way. Uribe reportedly told Morales he could not guarantee continued access to Colombia's market for Bolivian soy because the free trade agreement (FTA) with the U.S. was concluded, and that Bolivia should probe the U.S. side for flexibility instead. Colombia's Ambassador to Bolivia told us that Bolivian government officials had insisted that FTA negotiations with Peru provided a precedent for Colombia's re-opening a finished agreement. Vice-President Alvaro Garcia Linera called the Ambassador late March 14 to request an urgent meeting -- now set for March 16 -- to discuss the issue. In anticipation of that meeting, post asks the Department to clarify our willingness to show flexibility, if any, on Bolivian soy and to offer guidance on what level a probable Bolivian delegation should be received. In the meantime, the GOB's jitters in the face of strong public criticism at home for losing the Colombian market may give us an opening to press for quiet pragmatism on matters of central concern to us, including counter-narcotics. See action request in paragraph 7. End Summary.

12. (SBU) Following the public success of President Evo Morales' trip to Chile, and the bilateral energy agreement signed March 13 with Uruguayan President Tabare Vazquez (ref A), Morales appeared to be on a roll, and may have imbued GOB officials with a misplaced confidence that Colombian President Alvaro Uribe, who visited Bolivia briefly on March 14, could be persuaded to allow continued preferential access for Bolivian soy products to Colombia's markets -- a priority

issue for the GOB. Bolivian soy exporters could lose this important market to more efficient U.S. producers as a result of the FTA with Colombia.

¶3. (SBU) During their March 14 meeting in La Paz, however, Colombian President Alvaro Uribe gave no ground to Morales on this issue. (See septel for media reaction.) Colombian Ambassador to Bolivia, Edgar Papamija (present in the presidential meeting), told us March 15 that Uribe had underscored Colombia's solid partnership with the U.S., and had unambiguously stated that Colombia's free trade agreement with the U.S. was now concluded and could not be re-opened for additional negotiation on any issue. Papamija said Bolivian negotiators had insisted that U.S. FTA negotiations with Peru provided a precedent for such post-agreement tinkering, and that Colombia ought to do the same in this instance. According to Papamija, Uribe responded that he had no knowledge of the Peru precedent, and recommended that Morales call President Bush to probe for flexibility on the U.S. side instead.

¶4. (SBU) Papamija added that Uribe had also conveyed willingness to assist Bolivia by providing credits and other support, including a joint technical commission, to help its producers become competitive; at the same time, he suggested Bolivian soy was overpriced and should be lowered and seek space in the Chinese market. Uribe reportedly also said that Colombia was prepared to support any Bolivian initiative to gain U.S. flexibility on this score, but that Bolivia would need to take the lead because Colombia would not do so. However, Uribe told reporters after the meeting with Morales that Colombia would consider joining a high level delegation to approach Washington for concessions, but in a strictly

LA PAZ 00000712 002 OF 002

supportive role.

¶5. (C) Papamija said that Uribe's visit was also intended to expose Morales to regional political and economic perspectives different from those of Venezuelan President Hugo Chavez and Cuban dictator Fidel Castro. He noted that President Morales and his advisors, particularly Vice Foreign Minister for Economic affairs Maria Luisa Ramos, had behaved more like union bosses during the meeting -- rudely demanding concessions and accusing the Colombian President of bending to U.S. pressures -- rather than as state representatives disposed to negotiate in favor of Bolivia's national interests.

¶6. (SBU) Immediately prior to Morales' March 14 joint press conference with Uribe, Vice-President Alvaro Garcia Linera called the Ambassador requesting an urgent meeting to discuss the soy issue -- now set for March 16. (Comment: When he met with the Secretary in Chile last week, Morales sounded the note of a statesman focused on the economy, soliciting flexibility on soy and an extension of the ATPDEA -- ref B. In a March 15 media appearance, however, Morales vowed he would never pursue a Free Trade Agreement but proposed a "People's Trade Agreement" -- "Tratado Comercial Popular" -- with the U.S., explaining helpfully that the latter would better protect the interests of Bolivia's small producers. The technical definition of such an hypothetical agreement is anyone's guess, but its political meaning -- to placate the rabid anti-free-traders among the MAS's social sector bases as the campaign season for the Constituent Assembly gets underway -- is clear. End Comment.)

Action Request:

¶7. (SBU) In anticipation of the Ambassador's March 16 meeting with Morales, post requests the Department clarify our willingness to show flexibility, if any, on soy in the Colombian FTA and to offer guidance on what level a probable Bolivian delegation should be received. In the meantime, the Morales administration is on the defensive for supposedly losing its most important agricultural market and knows, as

Vice President Garcia Linera told reporters, "We are in the U.S.'s hands;" at least on this issue. We may have an opening, however temporary, to press for quiet pragmatism on matters central to our own interests, like counter-narcotics.

GREENLEE